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November 4, 2004

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2<sup>nd</sup> Floor
Boston, MA 02110

RE: <u>Investigation Regarding the Assignment of Interstate Pipeline Capacity Pursuant</u> to D.T.E. 98-32-B, D.T.E. 04-1

Dear Ms. Cottrell:

Please find attached the second supplemental response of NSTAR Gas Company to Information Request DTE-LDC-1-7, along with a Motion for Protective Treatment. As requested by the Hearing Officer, a CONFIDENTIAL electronic version of Attachment DTE-LDC-1-7 will also be filed.

If you have any questions regarding this filing, please do not hesitate to contact me.

Sincerely

John K. Habib

**Enclosures** 

cc:

Service List James Daly

Kerry Britland

Tam Ly

NSTAR Electric

Department of Telecommunications and Energy

D.T.E. 04-1

Information Request: DTE-LDC-1-7

November 5, 2004

Person Responsible: James Daly

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### Information Request DTE-LDC-1-7

Please provide information on marketers serving the Company's service territory during the period 1996-present on a seasonal basis (heating and non-heating seasons) as depicted in Table 3: "Active Marketers"

#### Second Supplemental Response

Please see Attachment DTE-LDC-1-7 (Supp) **CONFIDENTIAL**. Please note that, in the context of the Company's efforts to compile data in response to this question dating back to 1996, the Company determined that its supplemental response, dated July 15, 2004 inadvertently did not include the Company's "special ledger" customers, who generally are large commercial and industrial customers requiring special metering and billing treatment. Data regarding these customers are maintained on a different system than those on the Company's primary billing system from which the data reflected in the Company's July 15, 2004 response was extracted.

By including special ledger customers on the attached tables, the total throughput and market share information for the Company's marketers changes (e.g., compare 2003 total marketer throughput of 20,471,600 MMBtu on Attachment DTE-LDC-1-7 (Supp) with 2003 total marketer throughput of 11,052,276 MMBtu on Attachment DTE-LDC-1-7). This increases the marketers' market share from 21.27% to 33.9%. Most of this increase is associated with the Mirant supply to the Kendall generation station. By including special ledger customers in the attached tables, similar affects occur for prior years.

Table 3: Active Marketers

<u>Year</u>	<u>2003</u>		<u>2003</u>		<u>2003</u>	
<u>Marketer</u>	Winter(MMBtu)	% of Total	Summer(MMBtu)	% of Total	Total(MMBtu)	% of Total
	47	0.00	28	0.00	75	0.00
	121,124	0.28	80,674	0.48	201,798	0.33
	471,775	1.08	200,629	1.20	672,404	1.11
	-	-	8,152	0.05	8,152	0.01
	1,283,011	2.94	463,511	2.77	1,746,521	2.89
	2,877,844	6.59	2,398,631	14.35	5,276,475	8.74
	1,977,810	4.53	767,074	4.59	2,744,884	4.55
	1,734,022	3.97	611,355	3.66	2,345,377	3.88
	4,028,211	9.22	3,414,703	20.43	7,442,914	12.32
	15,464	0.04	17,535	0.10	33,000	0.05
Total	12,509,308	28.64	7,962,292	47.64	20,471,600	33.90
Total Throughput	43,674,872	100.00	16,714,109	100.00	60,388,981	100.00

Table 3: Active Marketers

	<u>Year</u>	2002		<u>2002</u>		2002	
	Marketer	Winter(MMBtu)	% of Total	Summer (MMBtu)	% of Total	Total(MMBtu)	% of Total
		163,064	0.43	58,008	0.37	221,072	0.41
		375,313	1.00	243,673	1.55	618,986	1.16
		92,309	0.25	114,618	0.73	206,926	0.39
		1,173,302	3.13	1,096,301	6.95	2,269,603	4.26
		1,773,668	4.72	1,819,337	11.54	3,593,005	6.74
;		520,713	1.39	205,082	1.30	725,795	1.36
*		877,585	2.34	456,825	2.90	1,334,410	2.50
i .		1,958,506	5.22	1,874,306	11.88	3,832,812	7.19
:		1,654,133	4.41	1,115,542	7.07	2,769,675	5.19
	Total	8,588,593	22.88	6,983,690	44.28	15,572,283	29.21
Total Th	roughput	37,544,894	100.00	15,771,149	100.00	53,316,043	100.00

Table 3: Active Marketers

	<u>Year</u>	<u>2001</u>		<u>2001</u>		<u>2001</u>	
	<u>Marketer</u>	Winter(MMBtu)	% of Total	Summer(MMBtu)	% of Total	Total(MMBtu)	% of Total
		404	.0.00	155	0.00	558	0.00
		189,902	0.54	45,005	0.33	234,907	0.48
		880,678	2.51	675,054	4.94	1,555,732	3.19
		806,891	2.30	811,028	5.94	1,617,919	3.32
		1,924,372	5.49	1,212,215	8.88	3,136,587	6.44
	-	543,634	1.55	207,848	1.52	751,483	1.54
		88,384	0.25	25,122	0.18	113,506	0.23
		781,057	2.23	280,831	2.06	1,061,888	2.18
		588,613	1.68	1,540,801	11.28	2,129,414	4.37
		2,322,897	6.62	1,334,530	9.77	3,657,426	7.51
	Total	8,126,831	23.18	6,132,589	44.90	14,259,420	29.27
Total T	hroughput	35,063,059	100.00	13,657,823	100.00	48,720,882	100.00

Table 3: Active Marketers

Year	2000		2000		2,000	
Marketer	Winter(MMBtu)	% of Total	Summer(MMBtu)	% of Total	Total(MMBtu)	% of Total
	216,535	0.59%	29,248	0.20%	245,783	0.48%
	342,973	0.94%	361,461	2.48%	704,434	1.38%
	2,799,465	7.68%	1,791,590	12.28%	4,591,055	9.00%
	38,723	0.11%	76,167	0.52%	114,890	0.23%
	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
	60,789	0.17%	3,453	0.02%	64,242	0.13%
	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
	176,985	0.49%	55,111	0.38%	232,097	0.45%
	49,593	0.14%	0	0.00%	49,593	0.10%
	0	0.00%	0	0.00%	0	0.00%
	25,578	0.07%	34,777	0.24%	60,355	0.12%
<b>.</b>	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
*****	219,403	0.60%	228,753	1.57%	448,155	0.88%
	0	0.00%	39,666	0.27%	39,666	0.08%
	201,663	0.55%	77,671	0.53%	279,334	0.55%
	341,323	0.94%	210,157	1.44%	551,481	1.08%
	2,078,039	5.70%	1,633,455	11.20%	3,711,494	7.27%
	16,037	0.04%	64,141	0.44%	80,177	0.16%
	813,375	2.23%	1,169,478	8.02%	1,982,853	3.89%
	7,538	0.02%	8,196	0.06%	15,734	0.03%
	79,871	0.22%	0	0.00%	79,871	0.16%
	0	0.00%	0	0.00%	0	0.00%
	478,164	1.31%	105,538	0.72%	583,701	1.14%
	0	0.00%	0	0.00%	0	0.00%
	69,852	0.19%	0	0.00%	69,852	0.14%
	0	0.00%	0	0.00%	0	0.00%
	. 0	0.00%	0	0.00%	0	0.00%
	86,844	0.24%	0	0.00%	86,844	0.17%
	<u>197,949</u>	<u>0.54%</u>	<u>0</u>	<u>0.00%</u>	<u>197,949</u>	<u>0.39%</u>
		00 770/	5 000 004	40.070/	44400 550	07.000/
<u>Total:</u>	8,300,698	22.77%	5,888,861	40.37%	14,189,559	27.80%
tal Throughput	36,446,603	100.00%	14,586,199	100.00%	51,032,802	100.00%

<sup>\*</sup>Electrics were their own Suppliers until Peak, 2000.

Table 3: Active Marketers

Year	<u>1999</u>		<u>1999</u>		1,999	
Marketer	Winter(MMBtu)	% of Total	Summer(MMBtu)	% of Total	Total(MMBtu)	% of Total
	0	0.00%	0	0.00%	0	0.00%
	291,263	0.85%	333,492	2.41%	624,755	1.30%
	1,511,861	4.41%	1,441,283	10.42%	2,953,144	6.14%
4. 4	0	0.00%	0	0.00%	0	0.00%
	14,061	0.04%	4,261	0.03%	18,322	0.04%
	0	0.00%	0	0.00%	0	0.00%
	29,388	0.09%	37,125	0.27%	66,513	0.14%
	866,410	2.53%	0	0.00%	866,410	1.80%
5 S	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
	132,315	0.39%	52,950	0.38%	185,265	0.39%
	50,069	0.15%	18,734	0.14%	68,803	0.14%
	0	0.00%	0	0.00%	0	0.00%
	45,090	0.13%	24,449	0.18%	69,539	0.14%
	508,893	1.49%	290,457	2.10%	799,350	1.66%
	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
	43,022	0.13%	25,333	0.18%	68,354	0.14%
	66,373	0.19%	86,420	0.62%	152,793	0.32%
•	406,136	1.19%	1,225,786	8.86%	1,631,923	3.39%
	0	0.00%	2,486	0.02%	2,486	0.01%
4	0	0.00%	0	0.00%	0	0.00%
and the second second	0	0.00%	74,776	0.54%	74,776	0.16%
	60,889	0.18%	65,002	0.47%	125,890	0.26%
	1,749,962	5.11%	596,623	4.31%	2,346,585	4.88%
	0	0.00%	0	0.00%	0	0.00%
	. 0	0.00%	0	0.00%	0	0.00%
	395,111	1.15%	186,745	1.35%	581,857	1.21%
	47,259	0.14%	0	0.00%	47,259	0.10%
	0	0.00%	0	0.00%	0	0.00%
	218,183	0.64%	261,652	1.89%	479,835	1.00%
	<u>290,345</u>	<u>0.85%</u>	<u>1,003,063</u>	<u>7.25%</u>	<u>1,293,407</u>	<u>2.69%</u>
<u>Total:</u>	6,726,628	19.63%	5,730,636	41.44%	12,457,264	25.90%
Total Throughput	34,266,976	100.00%	13,828,350	100.00%	48,095,326	100.00%

<sup>\*</sup>Electrics were their own Suppliers until Peak, 2000.

Table 3: Active Marketers

<u>Year</u>	<u>1998</u>		<u>1998</u>		<u>1998</u>	
<u>Marketer</u>	Winter(MMBtu)	% of Total	Summer(MMBtu)	% of Total	Total(MMBtu)	% of Total
	0	0.00%	0	0.00%	0	0.00%
	321,478	0.94%	274,140	2.08%	595,618	1.26%
	1,286,208	3.76%	967,524	7.35%	2,253,731	4.75%
	0	0.00%	0	0.00%	0	0.00%
	2,347	0.01%	6,157	0.05%	8,504	0.02%
	8,854	0.03%	21,999	0.17%	30,853	0.07%
	0	0.00%	0	0.00%	0	0.00%
	444,857	1.30%	827,440	6.29%	1,272,297	2.68%
	29,159	0.09%	23,561	0.18%	52,720	0.11%
	70,814	0.21%	25,797	0.20%	96,611	0.20%
	0	0.00%	0	0.00%	0	0.00%
	19,853	0.06%	17,069	0.13%	36,922	0.08%
	79,575	0.23%	118,974	0.90%	198,549	0.42%
	33,910	0.10%	35,204	0.27%	69,114	0.15%
	254,115	0.74%	271,714	2.06%	525,829	1.11%
	3,058	0.01%	1,995	0.02%	5,052	0.01%
	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
4	25,150	0.07%	21,666	0.16%	46,816	0.10%
	2,258	0.01%	11,582	0.09%	13,840	0.03%
	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
	0	0.00%	0	0.00%	0	0.00%
	14,756	0.04%	1,489	0.01%	16,245	0.03%
	1,932,589	5.64%	1,468,157	11.16%	3,400,746	7.17%
	0	0.00%	0	0.00%	0	0.00%
	25,057	0.07%	23,035	0.18%	48,092	0.10%
	0	0.00%	0	0.00%	0	0.00%
	19,296	0.06%	2,319	0.02%	21,615	0.05%
	. 0	0.00%	0	0.00%	0	0.00%
	221,697	0.65%	224,507	1.71%	446,204	0.94%
:	501,166	1.46%	802,140	6.10%	1,303,305	2.75%
<u>Total:</u>	5,296,196	15.47%	5,146,467	39.11%	10,442,663	22.03%
Total Throughput	34,238,858	100.00%	13,160,252	100.00%	47,399,110	100.00%

<sup>\*</sup>Electrics were their own Suppliers until Peak, 2000.

Table 3: Active Marketers

<u>Yea</u>	<u>ar 1997</u>		<u>1997</u>		<u>1997</u>	
Markete	er Winter(MMBtu)	% of Total	Summer(MMBtu)	% of Total	Total(MMBtu)	% of Total
	. 0	0.00%	0	0.00%	0	0.00%
	419,593	1.15%	345,964	2.32%	765,556	1.49%
	745,552	2.04%	770,700	5.17%	1,516,252	2.95%
	0	0.00%	0	0.00%	0	0.00%
	307	0.00%	2,795	0.02%	3,102	0.01%
	11,717	0.03%	25,890	0.17%	37,607	0.07%
	0	0.00%	0	0.00%	0	0.00%
	126,255	0.35%	450,849	3.02%	577,104	1.12%
	30,659	0.08%	24,063	0.16%	54,722	0.11%
	78,337	0.21%	52,559	0.35%	130,895	0.25%
	. 0	0.00%	0	0.00%	0	0.00%
	0	0.00%	2,885	0.02%	2,885	0.01%
	. 0		10,796	0.07%	10,796	0.02%
) F	9,273		15,487	0.10%	24,761	0.05%
	104,733		152,132	1.02%	256,865	0.50%
	14,706		51,193	0.34%	65,899	0.13%
	0	0.00%	0	0.00%	0	0.00%
	0		0	0.00%	0	0.00%
	0		8,696	0.06%	8,696	0.02%
	0		. 0	0.00%	0	0.00%
	. 0		0	0.00%	0	0.00%
	. 0	0.00%	0	0.00%	0	0.00%
	0		0	0.00%	0	0.00%
:	0		0	0.00%	0	0.00%
	8,683		21,566	0.14%	30,249	0.06%
	1,384,720		1,448,318	9.71%	2,833,038	5.51%
	0		0	0.00%	0	0.00%
	4,237		23,611	0.16%	27,848	0.05%
	0		0	0.00%	0	0.00%
	0		989	0.01%	989	0.00%
1 1 1 1	0		0	0.00%	0	0.00%
	107,406		233,174	1.56%	340,580	0.66%
:	756,974	2.07%	904,925	6.07%	1,661,899	3.23%
Tota	<u>ıl:</u> 3,803,151	10.41%	4,546,593	30.49%	8,349,743	16.23%
Total Throughpo	ut 36,546,141	100.00%	14,913,738	100.00%	51,459,879	100.00%

<sup>\*</sup>Electrics were their own Suppliers until Peak, 2000.

Table 3: Active Marketers

		<u>Year</u>	<u>1996</u>		<u>1996</u>		<u>1996</u>	
		<u>Marketer</u>	Winter(MMBtu)	% of Total	Summer(MMBtu)	% of Total	Total(MMBtu)	% of Total
			0	0.00%	0	0.00%	0	0.00%
			426,615	1.54%	643,200	2.58%	1,069,815	2.03%
			735,487	2.65%	458,073	1.84%	1,193,560	2.27%
i			0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
	!		26,223	0.09%	42,867	0.17%	69,090	0.13%
			31,934	0.12%	23,899	0.10%	55,833	0.11%
	i		32,098	0.12%	40,606	0.16%	72,704	0.14%
			0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
	1		0	0.00%	0	0.00%	0	0.00%
			0	0.00%	, 0	0.00%	0	0.00%
			82,438	0.30%	94,892	0.38%	177,330	0.34%
	•		190	0.00%	77,381	0.31%	77,571	0.15%
			0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
	1		0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
	:		. 0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
	+		0	0.00%	0	0.00%	0	0.00%
			10,960	0.04%	0	0.00%	10,960	0.02%
			960,964	3.47%	1,098,587	4.41%	2,059,550	3.91%
			0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
			0	0.00%	0	0.00%	0	0.00%
	i		0	0.00%	0	0.00%	0	0.00%
			117,616	0.42%	234,643	0.94%	352,259	0.67%
	1		<u>227,126</u>	<u>0.82%</u>	<u>440,132</u>	<u>1.77%</u>	<u>667,257</u>	<u>1.27%</u>
		<u>Total:</u>	2,306,908	8.33%	2,479,504	9.95%	4,786,412	9.09%
То	tal Ti	hroughput	27,705,486	100.00%	24,929,097	100.00%	52,634,583	100.00%

<sup>\*</sup>Electrics were their own Suppliers until Peak, 2000.

#### COMMONWEALTH OF MASSACHUSETTS

#### DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

	)	
Investigation Regarding the	)	
Assignment of Interstate Pipeline	)	D.T.E. 04-1
Capacity Pursuant to D.T.E. 98-32-B	)	
•	)	

### MOTION OF NSTAR GAS COMPANY FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION

NSTAR Gas Company (the "Company") hereby requests that the Department of Telecommunications and Energy (the "Department"), pursuant to G.L. c. 25, § 5D, grant protection from public disclosure of certain confidential, competitively sensitive and proprietary information submitted as part of the Company's responses to information requests in this proceeding. Specifically, the Company requests that the Department protect from public disclosure the Company's supplemental response to Information Request DTE-LDC-1-7. As discussed below, the information contained in the document is competitively sensitive and its release to the public would jeopardize the competitive positions of the companies referenced in the response.

#### I. LEGAL STANDARD

Confidential information may be protected from public disclosure in accordance with G.L. c. 25, § 5D, which states in part that:

The [D]epartment may protect from public disclosure, trade secrets, confidential, competitively sensitive or other proprietary information provided in the course of proceedings conducted pursuant to this chapter. There shall be a presumption that the information for which such protection is sought is public information and the burden shall be on the proponent of such protection to prove the need for such protection. Where

the need has been found to exist, the [D]epartment shall protect only so much of the information as is necessary to meet such need.

In interpreting the statute, the Department has held that:

... [T]he burden on the company is to establish the need for protection of the information cited by the company. In determining the existence and extent of such need, the Department must consider the presumption in favor of disclosure and the specific reasons why disclosure of the disputed information benefits the public interest.

The Berkshire Electric Company et al., D.P.U. 93-187/188/189/190, at 16 (1994) as cited in Hearing Officers Ruling On the Motion of Boston Electric Company for Confidentiality, D.P.U. 96-50, at 4 (1996).

Thus, a company must prove that: (1) the information for which protection is sought constitutes trade secrets, confidential, competitively sensitive or other proprietary information; and (2) there is a need for nondisclosure of the information. The Berkshire Gas Company, D.T.E. 01-41 at 16 (2001). Where a party proves such a need, the Department may limit the length of time that such protection is in effect. Id.

In practice, the Department has recognized that competitively sensitive terms in a competitive market should be protected and that such protection is desirable as a matter of public policy. The Department also has recognized that a policy of according contract confidentiality may add value to contracts and provide benefits to a company's customers, and therefore may be desirable for policy reasons. The Berkshire Gas Company, D.T.E. 01-41, at 17 (2001). Specifically, the Department has accorded protective treatment of such competitively sensitive, confidential and proprietary information as contractual pricing provisions, compensation benchmarks and bids reasoning that disclosure may affect future negotiations by either constraining the willingness of entities

to offer better or more innovate terms than currently proposed or limit the future bargaining ability of a company. <u>Id.</u>

#### II. BASIS FOR CONFIDENTIALITY

The Company seeks protection from public disclosure of information filed in its supplemental response to Information Request DTE-LDC-1-7 regarding the names of the Company's marketers serving the Company's service territory, along with information regarding the marketers total transportation volume and market share. The Company's initial response to the information request included the requested information regarding transportation volume and market share, but listed the marketers in an anonymous manner in order to protect the information regarding such marketers' market share from their competitors and the general public. However, as discussed herein, unless the marketer's names are protected from public disclosure, the Department's request to reveal the names of the marketers will result in marketers' competitors having access to competitively sensitive market-share information, which could result in decreased competition for the Company's customers.

The Department should protect the marketers' market share information from public disclosure<sup>1</sup> because the disclosure of such information, which is not otherwise in the public domain, may place some of the Company's marketers at a competitive disadvantage vis-à-vis their competitors to the extent that they have access to information regarding their competitors business plans, as deduced from such competitors' market

The Company's motion is not intended to protect the names of its marketers generally, it is intended to protect only their respective market-share information from public disclosure. Because the Company has already provided the marketers' market-share information to the Department in its initial response to Information Request DTE-LDC-1-7, the Company is requesting that the names of the marketers be protected in its supplemental response to the question.

share. For example, if Marketer A is trying to compete with Marketer B to provide its services in Massachusetts, to the extent that Marketer B discovers that its market share in a particular service territory is miniscule as compared to its competitors, it may shift its resources away from that service territory, thereby depriving the customers in such service territory of a market option, and thus, reducing competition. As an additional example, if, through the responses of local distribution companies to Information Request DTE-LDC-1-7, a marketer can determine the aggregate market share of a competitor in Massachusetts generally, and determines that its market share is too small to justify continued operations in Massachusetts, such marketer may leave the Massachusetts market altogether. The revelation of market-share information may also unfairly reveal the business plans of a particular marketer, to the extent that it can be determined that a particular marketer is targeting certain service territories for business, causing a competitor to shift resources from one service territory to another, in order to compete against such marketer.

Conversely, to the extent that a marketer may determine through the Company's supplemental response to Information Request DTE-LDC-1-7 that it has a significantly larger market share than its competitors in a given service territory, or throughout Massachusetts generally, such marketer could use that advantage to market its product based primarily on its market share. The result may be that such marketer convinces customers to purchase gas services more on factors that have to do with its size and not its price, thereby possibly depriving customers of gas services from such marketer at the lowest price. In this, and each example referenced above, competition, and thus the

Company's customers, may be adversely affected by the revelation of market share

information.

Accordingly, in order to protect the marketers' competitive positions in their

market, the Company requests that the marketers' names be protected from public

disclosure.<sup>2</sup> The Company requests that the Department grant such confidential treatment

for a period of three years from the date of the Department's final order in this

proceeding, in order ensure that any revelation of market-share information in the future

is sufficiently distant from the current and historical information presented in response to

Information Request DTE-LDC-1-7 (Supplemental).

WHEREFORE, the Company respectfully requests that the Department grant its

Motion for Protective Treatment as stated herein.

Respectfully Submitted,

**NSTAR GAS COMPANY** 

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The Company's position regarding the competitive sensitivity of its marketers' market share data is supported by the fact that the Company's active marketers have executed Gas Supplier Service Agreements with the Company, which require the Company to maintain the confidentiality of all business, financial and commercial information pertaining to the marketers.

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